

COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF WORKFORCE INVESTMENT  
(502) 564-7456

**POLICY NAME:** TRANSFER OF FUNDS BETWEEN ADULT AND DISLOCATED WORKER LOCAL FORMULA FUNDS

**POLICY NUMBER:** 16-008  
**DATE OF ISSUE:** reissued November 1, 2021  
**EFFECTIVE DATE:** October 1, 2020

**APPLIES/OF INTEREST TO:** Kentucky Career Center (KCC) Staff and Local Workforce Development Area (LWDA) staff

**POINT OF CONTACT:** [Compliance.Unit@ky.gov](mailto:Compliance.Unit@ky.gov)

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**HISTORY:** initially issued 08/19/2016; revised 10/01/2020; reissued 11/1/2021 with updated attachment (funds transfer request form) and updated POC but no substantive policy change thus former effective date remains.

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**BACKGROUND:** Under the Workforce Innovation and Opportunity Act (WIOA), a local workforce board may transfer up to 100 percent of an area's program year formula allocation between adult and dislocated worker funds. This authority is provided under WIOA as long as the request meets the Governor's approval.

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**PURPOSE:** This policy provides the guidance and parameters for transferring up to 100 percent of a program year allocation for adult employment and training activities and up to 100 percent of a program year allocation for dislocated worker employment and training services between the two programs.

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**POLICY:**

**Request of funds** -- The transfer request must be submitted on the attached form and contain the following information:

- Justification for the transfer (e.g. depletion of current funds, why a need to transfer, etc.);
- how the funds transfer will impact the participant levels in both programs;
- transfer's effect on potential recipients of services under each funding stream;
- Description of expected impact on WIOA performance outcomes for both funding streams; and
- Assurance of adequate funding for remainder of program year

**Funds not subject to transfer requests** -- The following funds are not subject to transfer:

- Adult or dislocated worker funds reallocated by the Department of Workforce Investment;
- funds awarded to the state under National Dislocated Worker Grants (NDWG);
- funds reserved under the Governor's 15 percent discretionary rules; and
- Youth Funds

**Considerations** – Transfer requests may be submitted anytime during the two-year period of availability of the funds. Funds transferred must stay within the original year of obligation. They must also stay within their respective obligation time period. Accordingly, local areas cannot transfer funds between program years. In addition, local areas must ensure that funds are not overdrawn during the time a transfer takes place. If this occurs, the transfer will not be approved. When submitting a transfer of funds request, the request **MUST** include the following:

1. Current labor market information to assess justification for the request to transfer the funds.
2. Current performance data to assess justification in the transfer of funds.
3. Summarization of the outreach process and recent increases in numbers.
4. How the transfer will affect the cost per participant and the LWDB has adjusted the cost per participant for the local area
5. Assurance that the LWDB has made every effort to recruit and market the availability of services to participants.

Local Workforce Development Boards (LWDBs) should be aware that the lack of or a limited number of participants for a particular funding stream does not automatically provide justification for a transfer of funds from one program to another program. Requests for transfers must be made by email, and must be signed by the designated fiscal agent. LWDBs should consult with Program Directors to ensure that funding requests are in line with local and regional plans with regard to the ability to serve adult and dislocated workers based on area needs and percentages.

**Implications of transferring 100 percent of funds** - Local areas may not apply for additional assistance funds based on the contention of dislocated worker allocation "formula insufficiency" resulting from the transfer. However, if a local area transfers 100 percent of its dislocated worker formula funds and a dislocation event occurs in the local area, (e.g., specific employer layoff or disaster that changes the local economic conditions), the state will consider a local area request for additional assistance funds on a case-by-case basis.

**Monitoring** - At the local level, the workforce development area and/or the fiscal agent must conduct oversight of the transfer of WIOA adult and dislocated worker funds to ensure the transfer is being completed per this policy. Through the state's monitoring system, fiscal monitors will review the area's transfer of adult and dislocated worker funds during the annual onsite monitoring review for compliance with federal and state laws and regulations. Any issues will be handled through the state's monitoring resolution process.

**Submission Process** - LWDA's shall submit the completed form to [Compliance.Unit@ky.gov](mailto:Compliance.Unit@ky.gov) for processing.

DWI Policy 16-008  
Attachment  
Rev. 11/1/2021

## LWDA REQUEST FOR TRANSFER OF FUNDS

Local Workforce Development Area: \_\_\_\_\_

Program Transfer (select one): ☐ Adult to Dislocated Workers ☐ Dislocated Workers to Adult

Grant Number: FROM: \_\_\_\_\_ TO: \_\_\_\_\_

Original PY or FY Allocation	\$ _____
<del>LESS</del> prior transfers	\$ _____
Amount currently obligated for grant	\$ _____
Amount currently unobligated for grant	\$ _____
Allowable transfer balance	\$ _____
Transfer amount requested	\$ _____

**JUSTIFICATION** (attach separate sheet if needed): *In accordance with DWI policy 16-008, justification must include 1) depletion of current funds, why a need to transfer, etc.; 2) how the funds transfer will impact participant levels in both programs; 3) transfer's effect on potential recipients of services under each funding stream; 4) description of expected impact on WIOA performance outcomes for both funding streams; and 5) assurance of adequate funding for remainder of program year.*

\_\_\_\_\_  
LWDA Director/Grant Subrecipient Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Fiscal Agent Signature

\_\_\_\_\_  
Date

**FOR DWI STAFF USE ONLY**

APPROVED BY:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please submit completed request electronically to [Compliance.Unit@ky.gov](mailto:Compliance.Unit@ky.gov)